



4008

**ANNUAL REPORT**

of

Name: MH TELECOM, INC.

Principal Office: 200 EAST MAIN STREET  
P.O. BOX 65  
MOUNT HOREB, WI 53572-0065

For the Year Ended: DECEMBER 31, 2002

**Alternative Telecommunications Utility --  
Other Telecommunications Provider**

To

**Public Service Commission of Wisconsin**

Mailing Address:	P.O. Box 7854 Madison, WI 53707-7854
Courier Address:	610 N. Whitney Way Madison, WI 53705-2729
E-mail:	pscrecs@psc.state.wi.us
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Home Page:	<a href="http://psc.wi.gov">http://psc.wi.gov</a>

*This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.*

## RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2002 report is due April 1, 2003.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required unless additional provisional confidential treatment is desired.** Go to the Public Service Commission of Wisconsin's Web Page at <http://psc.wi.gov>, click on Telecommunications, click on Annual Report Programs and Worksheets, and click on Annual Report Program for Alternative Telecommunications Utility - Other Telecommunications Providers (OTH).
3. Alternative Telecommunications Utility-Other Telecommunications Provider (ATU-Other) entities with no revenues for the report year are required to file an OTH annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Limited footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). Do not type commas when entering numbers. A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Please report all dollar amounts to the nearest thousand dollars.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The OTH annual report program incorporates provisional confidentiality capability for the following item, based on the Commission's Information Regarding Confidential Filings decision dated February 24, 2003, as supplemented for the new Nonregulated Revenues category on the Operating Revenues schedule:
  - a. Operating Revenues (Particulars, Wisconsin-Based Intrastate, Wisconsin-Based Interstate, Wisconsin-Based Total, and Total Company columns) (pp. 14-15) (Miscellaneous Revenues and Nonregulated Revenues descriptions, other than Video Distance Learning and Directory appearing in the report form, contained in the Particulars column (column a) and respective dollar amounts reported for the Miscellaneous Revenues and Nonregulated Revenues categories in the columns labeled Wisconsin-

## RULES FOR REPORTING

Based Intrastate, Wisconsin-Based Interstate, Wisconsin-Based Total, and Total Company);

- b. Central Office Data-End of Year (p. 19)
  - i. Integrated Service Digital Network (ISDN) Lines-In Use (BRI);
  - ii. ISDN Lines-In Use (PRI);
  - iii. xDSL Lines-In Use;
  - iv. Switched 56 lines in use;
  - v. Digital Transmission Facilities: DS-1-In use;
  - vi. Digital Transmission Facilities: DS-3-In use;
  - vii. Video Information Service-In use (# lines); and
  - viii. Fiber Transmission Facilities: No. of fiber strands working (LIT) in C.O.

If additional provisional confidential treatment is desired, please contact the Commission concerning required manual filing procedures. In this situation, do not file the annual report electronically using the program's e-mail filing capabilities.

- 13. It is not necessary to manually or electronically "sign" the signature page. It is not necessary to file a hardcopy annual report printout with the Commission.

14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files; Filing the Completed Report:**

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

15. **Name Changes:**

If a name change (e.g., the new name, the date of the change, and the affected entities with their respective four-digit Commission identification numbers) is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

## **RULES FOR REPORTING**

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

*These documents can be obtained by:*

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at <http://wdfi.org>; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

**A name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.**

### **16. Changes to the Annual Report Subsequent to Filing:**

If making revisions to the report subsequent to an electronic filing with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.

Revisions to an annual report previously filed on a manual basis also require a new complete manual filing.

17. Municipalities authorized by the Commission as competitive local exchange carriers (CLECs) should report only the CLEC-related amounts in the OTH annual report.



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**IDENTIFICATION AND OWNERSHIP**

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**Exact Utility Name:** MH TELECOM, INC.  
**Utility Location:** 200 EAST MAIN STREET  
P.O. BOX 65  
MOUNT HOREB, WI 53572-0065

**Utility Web Site Address:** www.mhtelecom.net

**Date utility authorized to provide service in Wisconsin:** 10/06/1997

**State in which utility was organized:** Wisconsin

**Organization type (e.g., corporation, partnership):** Corporation

**New Utility Name:**

**Effective Date:**

**Telephone numbers for potential customers to contact company:**

Business Customers: (608) 930 - 9985    Ext:

Residential Customers: (608) 930 - 9985    Ext:

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**Officer in charge of correspondence concerning this report**

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**Name:** JOHN A KLARER  
**Title:** VICE PRESIDENT & TREASURER  
**Firm/Company:**  
**Office Address:** 200 EAST MAIN STREET  
P.O. BOX 65  
MOUNT HOREB, WI 53572-0065  
**Fax Number:** (608) 437 - 8898  
**Telephone Number:** (608) 437 - 5551  
**Email Address:** jak@mhtc.net

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**Individual or firm, if other than utility employee, preparing this report**

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**Name:**  
**Title:**  
**Firm/Company:**  
**Office Address:**  
  
**Fax Number:**  
**Telephone Number:**  
**Email Address:**

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**Name and address of the office where the utility's books are kept**

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**Name:** KRISTINE MANCHESTER  
**Title:** ACCOUNTANT  
**Firm/Company:**  
**Office Address:** 200 EAST MAIN STREET  
P.O. BOX 65  
MOUNT HOREB, WI 53572-0065  
**Fax Number:** (608) 437 - 8898  
**Telephone Number:** (608) 437 - 5551  
**Email Address:** kam@mhtc.net

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**IDENTIFICATION AND OWNERSHIP**

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**List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).**

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<b>Name:</b>	MOUNT HOREB TELEPHONE COMPANY
<b>Address:</b>	200 EAST MAIN STREET PO BOX 65 MOUNT HOREB     , WI 53572-0065
<b>Number of Shares Held:</b>	100
<b>Beneficial Owner:</b>	NONE

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**List companies owned, controlled, or operated and form and extent of such ownership, control or operation.**

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<b>Company Name:</b>	N/A
<b>Form of Interest:</b>	N/A
<b>Extent of Interest:</b>	N/A



**INCOME STATEMENT - TOTAL COMPANY**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
Operating Revenues	358,100	29,900	1
<b>OPERATING EXPENSES</b>			
Access and Billing Expenses	69,169	13,664	2
Local Interconnection	29,798	18,122	3
Other Charges Imposed by Another Carrier	0	0	4
Communication System Operations	87,606	74,550	5
Sales and Marketing	83,750	72,186	6
Administrative and General	343,683	373,366	7
Depreciation and Amortization	637,159	264,644	8
Other	(419,955)	(356,240)	9
<b>Total Operating Expenses</b>	<b>831,210</b>	<b>460,292</b>	<b>10</b>
<b>Net Operating Income</b>	<b>(473,110)</b>	<b>(430,392)</b>	<b>11</b>
<b>OTHER INCOME</b>			
Nonoperating Income and Expense	40,118	212,916	12
Nonoperating Taxes	(3,138)	18,806	13
Interest and Related Items	482,151	475,395	14
Extraordinary Items	0	0	15
Nonregulated Net Income	96,250	195,683	16
<b>Total Nonoperating Income</b>	<b>(342,645)</b>	<b>(85,602)</b>	<b>17</b>
<b>Net Income</b>	<b>(815,755)</b>	<b>(515,994)</b>	<b>18</b>

Income Statement - Total Company Note:

Disclose additional material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable, including:

1. A summary of significant accounting policies, including, but not limited to, accounting policies related to pension cost, unbilled revenues, and income taxes.
2. The method of computing depreciation expense.

1. The Company recognizes revenues when earned regardless of the period in which they are billed. Local service, internet, and CATV revenues are recognized over the period a subscriber is connected to the network. Income taxes are accounted for using the liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred.

2. The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the property.

**INCOME STATEMENT - WISCONSIN INTRASTATE OPERATIONS**

<b>Particulars (a)</b>	<b>Wisconsin Intrastate % This Year (b)</b>	<b>This Year (c)</b>	<b>Last Year (d)</b>	
Operating Revenues	83.00%	295,539	16,084	<b>1</b>
<b>OPERATING EXPENSES</b>				
Access and Billing Expenses	80.00%	55,131	4,713	<b>2</b>
Local Interconnection	100.00%	29,798	18,122	<b>3</b>
Other Charges Imposed by Another Carrier	0%	0	0	<b>4</b>
Communication System Operations	83.00%	72,301	40,100	<b>5</b>
Sales and Marketing	83.00%	69,119	38,829	<b>6</b>
Administrative and General	83.00%	283,642	200,834	<b>7</b>
Depreciation and Amortization	83.00%	525,847	142,352	<b>8</b>
Other	83.00%	(346,589)	(53,654)	<b>9</b>
<b>Total Operating Expenses</b>	<b>83.00%</b>	<b>689,249</b>	<b>391,296</b>	<b>10</b>
<b>Net Operating Income</b>	<b>83.00%</b>	<b>(393,710)</b>	<b>(375,212)</b>	<b>11</b>
<b>OTHER INCOME</b>				
Nonoperating Income and Expense	83.00%	33,109	114,528	<b>12</b>
Nonoperating Taxes	83.00%	(2,590)	10,116	<b>13</b>
Interest and Related Items	83.00%	397,919	255,715	<b>14</b>
Extraordinary Items	0%	0	0	<b>15</b>
Nonregulated Net Income	100.00%	96,250	0	<b>16</b>
<b>Total Nonoperating Income</b>	<b>78.00%</b>	<b>(265,970)</b>	<b>(151,303)</b>	<b>17</b>
<b>Net Income</b>	<b>81.00%</b>	<b>(659,680)</b>	<b>(526,515)</b>	<b>18</b>

Income Statement - Wisconsin Intrastate Operations Note:

Please state the bases upon which the Wisconsin intrastate factors were developed and provide supporting calculations.

Wisconsin intrastate factors were based on specific identifiable accounts where possible. If Wisconsin intrastate factors were not directly attributable to certain revenue or expense accounts, the intrastate revenue as a percentage of total operating revenues was used.

**TOTAL COMPANY BALANCE SHEET - ASSETS**

<b>Particulars (a)</b>	<b>Balance--EOY (b)</b>	<b>Balance--FOY (c)</b>	
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	133,850	360,534	<b>1</b>
Net Telecommunications Accounts Receivable	38,760	21,287	<b>2</b>
Net Other Accounts Receivable	343,591	56,038	<b>3</b>
Net Notes Receivable	0	0	<b>4</b>
Interest and Dividends Receivable	0	0	<b>5</b>
Materials and Supplies	0	0	<b>6</b>
Prepayments	0	0	<b>7</b>
Other Current Assets	0	0	<b>8</b>
<b>TOTAL CURRENT ASSETS</b>	<b>516,201</b>	<b>437,859</b>	
<b>NONCURRENT ASSETS</b>			
Investments in Affiliated Companies	0	0	<b>9</b>
Investments in Nonaffiliated Companies	2,547	2,547	<b>10</b>
Other Noncurrent Assets	194,395	88,500	<b>11</b>
Deferred Charges	15,586	17,555	<b>12</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>212,528</b>	<b>108,602</b>	
<b>PLANT</b>			
Telecommunications Plant in Service	8,744,362	7,258,171	<b>13</b>
Less: Accumulated Depreciation and Amortization	905,519	268,358	<b>14</b>
Net Property Held for Future Telecommunications Use	0	0	<b>15</b>
Net Nonoperating Plant	1,557,743	439,349	<b>16</b>
Telecommunications Plant Under Construction	0	2,476,390	<b>17</b>
Net Telecommunications Plant Adjustment	0	0	<b>18</b>
<b>TOTAL PLANT</b>	<b>9,396,586</b>	<b>9,905,552</b>	
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b><u>10,125,315</u></b>	<b><u>10,452,013</u></b>	

**TOTAL COMPANY BALANCE SHEET - LIABILITIES AND CAPITAL**

<b>Particulars (a)</b>	<b>Balance--EOY (b)</b>	<b>Balance--FOY (c)</b>	
<b>CURRENT LIABILITIES</b>			
Accounts and Notes Payable to Affiliated Companies	586,361	265,014	<b>1</b>
Other Accounts and Notes Payable	61,145	902,824	<b>2</b>
Advance Billing and Payments	0	0	<b>3</b>
Customer Deposits	0	0	<b>4</b>
Current Maturities - Long-Term Obligations	467,657	73,730	<b>5</b>
Taxes Accrued	(1,278,989)	(417,349)	<b>6</b>
Other Current and Accrued Liabilities	38,623	36,121	<b>7</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>(125,203)</b>	<b>860,340</b>	
<b>LONG-TERM DEBT</b>			
Net Funded Debt	4,708,613	5,176,270	<b>8</b>
Obligations Under Capital Leases	0	0	<b>9</b>
Advances from Affiliated Companies	0	0	<b>10</b>
Other Long-Term Debt	0	0	<b>11</b>
<b>TOTAL LONG-TERM DEBT</b>	<b>4,708,613</b>	<b>5,176,270</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities	0	0	<b>12</b>
Unamortized Investment Tax Credits	0	0	<b>13</b>
Net Noncurrent Deferred Income Taxes	512,042	69,785	<b>14</b>
Other Deferred Credits	0	0	<b>15</b>
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS</b>	<b>512,042</b>	<b>69,785</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock and Paid-In Capital	6,500,000	5,000,000	<b>16</b>
Other Capital	(815,755)	0	<b>17</b>
Retained Earnings	(654,382)	(654,382)	<b>18</b>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>5,029,863</b>	<b>4,345,618</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b><u>10,125,315</u></b>	<b><u>10,452,013</u></b>	

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## TOTAL COMPANY BALANCE SHEET - NOTES

### **Other information concerning the total company balance sheet.**

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Note 1: Retained earnings was not pulling in correctly. Added the net loss of \$815,755 to the "Other Capital' Line so that assets would equal liabilites plus equity.

**RETAINED EARNINGS - TOTAL COMPANY**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
Balance - First of Year	(654,382)	(138,388)	<b>1</b>
<b>Changes:</b>			
Balance Transferred from Income	(815,755)	(515,994)	<b>2</b>
Dividends Declared	0	0	<b>3</b>
Miscellaneous Debits to Retained Earnings	0	0	<b>4</b>
Miscellaneous Credits to Retained Earnings	0	0	<b>5</b>
<b>Balance - End of Year</b>	<b><u>(1,470,137)</u></b>	<b><u>(654,382)</u></b>	<b>6</b>

## TELECOMMUNICATIONS PLANT IN SERVICE & ACCUMULATED DEPRECIATION & AMORTIZATION - WISCONSIN

Plant Function (a)	Plant in Service FOY (b)	Additions (c)	Retirements (d)	
<b>GENERAL SUPPORT</b>				
LAND	60,010	0	0	1
MOTOR VEHICLES	22,900			2
BUILDINGS	993,981			3
FURNITURE	34,726			4
OFFICE SUPPORT EQUIPMENT	5,537			5
COMPANY COMMUNICATIONS EQUIPMENT	11,441			6
GENERAL PURPOSE COMPUTERS	38,757	13,282		7
<b>CENTRAL OFFICE</b>				
DIGITAL ELECTRONIC SWITCHING	626,030	69	0	8
CIRCUIT EQUIPMENT - TRUNK CARRIER	19,590	342		9
CIRCUIT EQUIPMENT - LIGHTWAVE	794,778	94,395		10
CIRCUIT EQUIP - DSL MODEMS	0	100,961		11
<b>INFORMATION ORIG./TERM.</b>				
Enter Description Here	0	0	0	12
<b>CABLE WIRE FACILITIES</b>				
AERIAL CABLE	0	10,938	0	13
UNDERGROUND CABLE - METALLIC	187,857	6,216		14
UNDERGROUND CABLE - LIGHTWAVE	114,857	18,714		15
BURIED CABLE - METALLIC	2,155,980	923,505		16
BURIED CABLE - LIGHTWAVE	1,726,605	300,537		17
CONDUIT SYSTEMS	465,122	17,232		18
<b>AMORTIZABLE</b>				
Enter Description Here	0	0	0	19
<b>TOTAL PLANT IN SERVICE</b>	<b>7,258,171</b>	<b>1,486,191</b>	<b>0</b>	

## TELECOMMUNICATIONS PLANT IN SERVICE & ACCUMULATED DEPRECIATION & AMORTIZATION - WISCONSIN (cont.)

Plant Function (e)	Transfers / Adjustments (f)	Plant in Service EOY (g)	Acc. Depr. & Amortization EOY (h)	Net Plant in Service EOY (i)	
<b>GENERAL SUPPORT</b>					
LAND	0	60,010	0	60,010	1
MOTOR VEHICLES		22,900	6,197	16,703	2
BUILDINGS		993,981	68,174	925,807	3
FURNITURE		34,726	5,769	28,957	4
OFFICE SUPPORT EQUIPMEI		5,537	1,799	3,738	5
COMPANY COMMUNICATION		11,441	4,944	6,497	6
GENERAL PURPOSE COMPU		52,039	17,248	34,791	7
<b>CENTRAL OFFICE</b>					
DIGITAL ELECTRONIC SWITC	0	626,099	88,686	537,413	8
CIRCUIT EQUIPMENT - TRUN		19,932	3,074	16,858	9
CIRCUIT EQUIPMENT - LIGHT		889,173	116,758	772,415	10
CIRCUIT EQUIP - DSL MODEI		100,961	9,947	91,014	11
<b>INFORMATION ORIG./TERM.</b>					
Enter Description Here	0	0	0	0	12
<b>CABLE WIRE FACILITIES</b>					
AERIAL CABLE	0	10,938	602	10,336	13
UNDERGROUND CABLE - ME		194,073	24,464	169,609	14
UNDERGROUND CABLE - LIC		133,571	11,691	121,880	15
BURIED CABLE - METALLIC		3,079,485	328,285	2,751,200	16
BURIED CABLE - LIGHTWAVE		2,027,142	194,004	1,833,138	17
CONDUIT SYSTEMS		482,354	23,877	458,477	18
<b>AMORTIZABLE</b>					
Enter Description Here	0	0	0	0	19
<b>TOTAL PLANT IN SERVICE</b>	<b>0</b>	<b>8,744,362</b>	<b>905,519</b>	<b>7,838,843</b>	



**OPERATING REVENUES**

<b>Particulars (a)</b>	<b>Wisconsin- Based Intrastate (b)</b>	<b>Wisconsin- Based Interstate (c)</b>	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
End User Retail	198,738		1
Reciprocal Compensation & Interconnection			2
Private Line, Special Access & Unbundled Network Elements			3
Enter Other Description Here			4
<b>NETWORK INTERSTATE ACCESS SERVICE REVENUES</b>			
End User Line Charge			5
Switched		46,763	6
Special			7
<b>NETWORK INTRASTATE ACCESS SERVICE REVENUES</b>			
Switched	42,447		8
Special			9
Presubscription	140		10
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REVENUES</b>			
INTRASTATE INTRALATA	37,888		11
INTRASTATE INTERLATA	7,419		12
INTERSTATE INTERLATA		15,552	13
<b>LONG DISTANCE PRIVATE NETWORK REVENUES</b>			
Enter Description Here			14
<b>MISCELLANEOUS REVENUES</b>			
Video Distance Learning	---CONF---	---CONF---	15
Directory	---CONF---	---CONF---	16
---CONF---	---CONF---	---CONF---	17
---CONF---	---CONF---	---CONF---	18
---CONF---	---CONF---	---CONF---	19
<b>GROSS OPERATING REVENUES</b>	<b>304,239</b>	<b>64,402</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Enter Description Here	8,700	1,841	20
<b>TOTAL UNCOLLECTIBLE REVENUES</b>	<b>8,700</b>	<b>1,841</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>295,539</b>	<b>62,561</b>	

**OPERATING REVENUES (cont.)**

<b>Particulars (d)</b>	<b>Wisconsin- Based Total (e)</b>	<b>Total Company (f)</b>	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
End User Retail	<b>198,738</b>	198,738	<b>1</b>
Reciprocal Compensation & Interconnection	<b>0</b>		<b>2</b>
Private Line, Special Access & Unbundled Network Elements	<b>0</b>		<b>3</b>
Enter Other Description Here	<b>0</b>		<b>4</b>
<b>NETWORK INTERSTATE ACCESS SERVICE REVENUES</b>			
End User Line Charge	<b>0</b>		<b>5</b>
Switched	<b>46,763</b>	46,763	<b>6</b>
Special	<b>0</b>		<b>7</b>
<b>NETWORK INTRASTATE ACCESS SERVICE REVENUES</b>			
Switched	<b>42,447</b>	42,447	<b>8</b>
Special	<b>0</b>		<b>9</b>
Presubscription	<b>140</b>	140	<b>10</b>
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REVENUES</b>			
INTRASTATE INTRALATA	<b>37,888</b>	37,888	<b>11</b>
INTRASTATE INTERLATA	<b>7,419</b>	7,419	<b>12</b>
INTERSTATE INTERLATA	<b>15,552</b>	15,552	<b>13</b>
<b>LONG DISTANCE PRIVATE NETWORK REVENUES</b>			
Enter Description Here	<b>0</b>		<b>14</b>
<b>MISCELLANEOUS REVENUES</b>			
Video Distance Learning	<b>---CONF---</b>	---CONF---	<b>15</b>
Directory	<b>---CONF---</b>	---CONF---	<b>16</b>
---CONF---	<b>---CONF---</b>	---CONF---	<b>17</b>
---CONF---	<b>---CONF---</b>	---CONF---	<b>18</b>
---CONF---	<b>---CONF---</b>	---CONF---	<b>19</b>
<b>GROSS OPERATING REVENUES</b>	<b>368,641</b>	<b>368,641</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Enter Description Here	<b>10,541</b>	10,541	<b>20</b>
<b>TOTAL UNCOLLECTIBLE REVENUES</b>	<b>10,541</b>	<b>10,541</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>358,100</b>	<b>358,100</b>	

**AVERAGE NUMBER OF SUBSCRIBERS**

<b>Average Number of Subscribers (a)</b>	<b>Wisconsin-Based Total (b)</b>	<b>Total Companyl (c)</b>	
Residential	381	381	<b>1</b>
Business	125	125	<b>2</b>
<b>Total</b>	<b>506</b>	<b>506</b>	<b>3</b>

**NUMBER OF LIFELINE AND LINKUP CUSTOMERS**

<b>Number of Lifeline and Linkup Customers (a)</b>	<b>Wisconsin (Actual No.)(b)</b>	
Number of Lifeline Customers in Wisconsin at December 31, 2002		<b>1</b>
Number of Linkup Customers in Wisconsin Connected During 2002		<b>2</b>

**ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER**

<b>Particulars (a)</b>	<b>Wisconsin- Based Intrastate (b)</b>	<b>Wisconsin- Based Interstate (c)</b>	
<b>ACCESS AND BILLING EXPENSES</b>			
Carrier Common Line (Intrastate IntraLATA)			1
Carrier Common Line (Intrastate InterLATA)			2
Carrier Common Line (Interstate)			3
Switched Access	26,230	8,504	4
Special Access			5
Billing and Collection Expenses	28,901	5,534	6
<b>TOTAL ACCESS AND BILLING EXPENSES</b>	<b>55,131</b>	<b>14,038</b>	
<b>CHARGES IMPOSED BY ANOTHER CARRIER</b>			
Expenses Related to Interconnection with Another Local Exchange Carrier's Facilities	29,798		7
Expenses Related to the Wholesale Use of Another Carrier's Network (Resale & Unbundled Network Elements) and Tariffed General Service Offerings			8
<b>TOTAL CHARGES IMPOSED BY ANOTHER CARRIER</b>	<b>29,798</b>	<b>0</b>	
<b>TOTAL ACCESS EXPENSES, BILLING EXPENSES &amp; CHARGES IMPOSED BY ANOTHER CARRIER</b>	<b>84,929</b>	<b>14,038</b>	

# **ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER** **(cont.)**

Particulars (d)	Wisconsin- Based Total (e)	Total Compnay (f)	
<b>ACCESS AND BILLING EXPENSES</b>			
Carrier Common Line (Intrastate IntraLATA)	0		1
Carrier Common Line (Intrastate InterLATA)	0		2
Carrier Common Line (Interstate)	0		3
Switched Access	34,734	34,734	4
Special Access	0		5
Billing and Collection Expenses	34,435	34,435	6
<b>TOTAL ACCESS AND BILLING EXPENSES</b>	<b>69,169</b>	<b>69,169</b>	
<b>CHARGES IMPOSED BY ANOTHER CARRIER</b>			
Expenses Related to Interconnection with Another Local Exchange Carrier`s Facilities	29,798	29,798	7
Expenses Related to the Wholesale Use of Another Carrier`s Network (Resale & Unbundled Network Elements) and Tariffed General Service Offerings	0		8
<b>TOTAL CHARGES IMPOSED BY ANOTHER CARRIER</b>	<b>29,798</b>	<b>29,798</b>	
<b>TOTAL ACCESS EXPENSES, BILLING EXPENSES &amp; CHARGES IMPOSED BY ANOTHER CARRIER</b>	<b>98,967</b>	<b>98,967</b>	

**CENTRAL OFFICE DATA - END OF YEAR**

When an exchange has more than one central office, data must be reported for each central office.

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Rate Center Name	DODGEVILLE				1
Central Office (Switch) CLLI Code	DGVLWI03RS0				2
Switch Location	DODGEVILLE				3
Manufacturer of COE	SIEMENS				4
Year COE Installed	2001				5
Type of Equipment	D				6
(S)tandalone, (H)ost, (R)emote, (A)dv. Fiber Comm.	R				7
Remote Host Rate Center Name	MOUNT HOREB				8
Remote Host Switch CLLI Code	MTHBWIXADS1				9
COE Generic Software Release No.	19.0				10
SS7?	Yes				11
9-1-1?	Yes				12
Access Lines - In Use	798				13
- Equipped	1,000				14
- Wired	1,000				15
Trunks - In Use	506				16
- Equipped	1,464				17
- Wired	1,944				18
ISDN Available?	No				19
ISDN Lines - In Use (BRI)	---CONF---				20
- In Use (PRI)	---CONF---				21
xDSL Available?	Yes				22
- In Use (# lines)	---CONF---				23
Switched 56 Service?	No				24
Switched 56 lines in use	---CONF---				25
Digital Transmission Facilities: DS-1 - In Use	---CONF---				26
DS-3 - In Use	---CONF---				27
Advanced Data Service Available:					
Packet Switching?	No				28
SMDS?	No				29
Frame Relay?	No				30
ATM (Asynchronous Trans. Mode)?	Yes				31
Video Information - Service Available?	Yes				32
- In Use (# lines) <sup>1</sup>	---CONF---				33
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	744				34
No. of fiber strands working (LIT) in C.O.	---CONF---				35
No. of fiber strands for interoffice use	4				36
Miles of fiber sheath in wire center	30				37
Access Tandem Serving this C.O.:					
- Central Office Name	AMERITECH				38
- Central Office CLLI Code	MDSNW116T				39
Does this C.O. do access tandem switching?	No				40

<sup>1</sup> Teleco provided end-to-end facility.

**ASSESSABLE REVENUES**

Description (a)	This Year (b)
<b>Calculation of Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	
Gross Operating Revenues--Wisconsin (including outbound interstate revenues)	368,641   1
Less: Inbound Interstate Revenues (exclusive of uncollectible service revenues) Included in Line 1 (if any)	0   2
Less : Current Year Write-offs of Uncollectible Revenues	10,541   3
Plus: Current Year Collection of Operating Revenues Previously Written Off	0   4
Less : Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)	5
Plus: Nonregulated Net Write Off Amount (included on Lines 3 and 4)	6
<b>Total Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b>358,100   7</b>

**Assessable Revenues for Universal Service Fund Assessment Purposes**

Wisconsin Gross Intrastate Operating Telecommunications Service Revenue	<b>295,539   8</b>
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**Notes**

**"Gross Operating Revenues--Wisconsin"** are revenues before consideration of uncollectible revenues. These revenues include revenues from inbound interstate 800 and collect calls billed to customers in Wisconsin.

**"Outbound interstate revenues"** are service operations revenues received from communications originating at points within Wisconsin and terminating at points outside the state.

**"Inbound interstate revenues"** are service operations revenues received from communications originating at points outside the State of Wisconsin and terminating at points within the state.

(NOT TO BE EXCLUDED HERE ARE INBOUND INTERSTATE 800 AND COLLECT REVENUES BILLED TO CUSTOMERS IN WISCONSIN).

**"Gross"** means revenue before consideration of uncollectible amounts. Access expenses may not be netted against assessable revenues.

**"Intrastate"** means telecommunications service originating and terminating within the State of Wisconsin. Intrastate revenue does not include interstate access revenue.

**"Operating"** means provision of telecommunications services.

**"Telecommunications service revenue"** for the purpose of this assessment does not include cable television service, broadcast service, rents, directory revenue, carrier billing and collection revenue, nonregulated customer premises equipment revenue, or other miscellaneous or nonregulated revenue. However, it does include video distance learning revenue and payphone revenue (the latter which was deregulated in 1997).

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## **OTHER INFORMATION**

**Additional or other information concerning this annual report.**

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## **SCHEDULE AND REPORT NOTES**

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### **General Footnote**

### **Schedule Footnotes**

**Operating Revenues Footnote. Page 14**

**Disregard this schedule footnote.**

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